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August 4, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

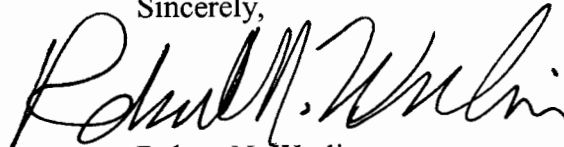
Re: NSTAR Electric Company, D.T.E. 06-40

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin", written in a cursive style.

Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

AG-4-2 (Revised)

AG-5-11

CLC-1-5

CLC-1-8

CLC-1-23

MIT-2-17

Information Request AG-4-2

Please provide Cambridge's capital spending budget for 2005 through 2010. Separately identify the 13.8kV related projects and their budgeted costs. For 2005 provide the original budget and the actual cost. Identify the annual amount overhead costs allocated to the 13.8kV system separately. Identify each project that the Company believes would qualify for CPSL cost recovery under the terms of the Settlement approved by the Department in DTE 05-85. Provide all supporting documentation, workpapers, calculations and assumptions.

Response (Revised)

Please refer to the Attachment AG-4-2(a) (Revised) for the capital spending budget for year 2005 (\$21,570,749) and for the year 2006 (\$15,067,734). NSTAR Electric has not prepared any capital spending budget for the years 2007 through 2010.

Attachment AG-4-2(b) (Revised) sets forth the capital spending budget specifically for the 13.8 kV¹ related projects for year 2005 (\$18,509,578 please see line 36, column F) and Attachment AG-4-2(c) (Revised) for year 2006 (\$12,379,435, please see line 22, column C).

Attachment AG-4-2(d) (Revised) sets forth the original budget (\$18,509,578, please see line 7) and the actual cost (\$23,102,979, please see line 16) for year 2005 including the overhead costs allocated separately to the 13.8 kV system.

With respect to the CPSL cost recovery, the Settlement Agreement in D.T.E. 05-85 was effective on January 1, 2006; therefore, none of the 2005 Capital spending was included in the CPSL cost recovery programs. The 2006 budget was originally prepared before the CPSL accounting protocols were in place, so the budget does not identify CPSL-related expenditures. Under the Settlement, NSTAR Electric recovers only the incremental revenue requirement associated with CPSL spending, which are being tracked and accounted for separately.

¹ The costs relating to the 13.8 kV projects are estimates and may not tie exactly to the 13.8 kV transmission plant transmission calculation. Plant expenditures for a year are not exactly what is capitalized during a year since some projects may take longer than a year to complete. If there are differences, the transmission plant calculation is the more accurate.

Cambridge 2005 Budget Analysis

Line Budget Analysis

	Work Type	Annual Budget	Budget %
1	13.8kV	\$ 14,646,480	85.81%
2	Non 13.8kv	\$ 2,422,280	14.19%
3	Total	\$ 17,068,760	100.00%

	Overhead Budget	Overhead Spread	OH %
4	13.8kV	\$ 3,863,098	85.81%
5	Non 13.8kv	\$ 638,891	14.19%
6	Total OH Budget	\$ 4,501,989	100.00%

Total Budget	\$ 21,570,749
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	Work Type	Annual Budget	Budget %
7	13.8kV	\$ 18,509,578	85.81%
8	Non 13.8kv	\$ 3,061,171	14.19%
9	Total	\$ 21,570,749	100.00%

Cambridge 2006 Budget Analysis

Line Budget Analysis

	Work Type	Annual Budget	Budget %
1	13.8kV	\$ 8,543,170	82.16%
2	Non 13.8kv	\$ 1,855,222	17.84%
3	Total	\$ 10,398,392	100.00%

	Overhead Budget	Overhead Spread	OH %
4	13.8kV	\$ 3,836,265	82.16%
5	Non 13.8kv	\$ 833,077	17.84%
6	Total OH Budget	\$ 4,669,342	100.00%

Total Budget	\$ 15,067,734
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	Work Type	Annual Budget	Budget %
7	13.8kV	\$ 12,379,435	82.16%
8	Non 13.8kv	\$ 2,688,299	17.84%
9	Total	\$ 15,067,734	100.00%

Line	Project	Project Description	Column A Direct Costs	Column B Overhead Costs	Column C Total Costs	Column D Annual Budget	Column E Indirect Budget	Column F Total Budget
1	03290	New Kendall Distribution Substation (Distribution Street) Child Project	\$ 84,967	\$ 9,187	\$ 94,154	\$ 500,000	\$ 131,878	\$ 631,878
2	03285	New Kendall Distribution Substation	\$ 13,342,180	\$ 2,887,816	\$ 16,229,996	\$ 10,267,833	\$ 2,708,203	\$ 12,976,036
3	03357	Install Network Communications System, Secondary Network (Hazeltine) - Cambridge (PARENT:	\$ 120,983	\$ 35,431	\$ 156,414	\$ 75,002	\$ 19,782	\$ 94,784
4	04240	Relieve circuit AB-11	\$ 8,071	\$ 5,883	\$ 13,954	\$ -	\$ -	\$ -
5	04364	Install Nitrogen Generators on Transformers, Station828	\$ 483	\$ 674	\$ 1,157	\$ -	\$ -	\$ -
6	04546	Distribution Automation project for Cambridge	\$ 10,713	\$ 6,145	\$ 16,858	\$ -	\$ -	\$ -
7	04738	Brickworks 310 Rindge Ave, Cambridge Station	\$ 76,968	\$ -	\$ 76,968	\$ -	\$ -	\$ -
8	04755	Rewind Xfmr Station 817 Putnam	\$ 11,852	\$ (37,192)	\$ (25,340)	\$ -	\$ -	\$ -
9	04866	Kendall 2004 Mitigation Plan-Dist Station	\$ 1,171	\$ 342	\$ 1,513	\$ -	\$ -	\$ -
10	04973	Biogen 1 Cambridge Center, Cambridge Street	\$ (428,830)	\$ (229,911)	\$ (658,741)	\$ -	\$ -	\$ -
11	05138	Circuit 817-02 Reconductoring	\$ 87,781	\$ 28,295	\$ 116,076	\$ 107,005	\$ 28,223	\$ 135,228
12	05144	Install lateral fuses on 10 Cambridge ckts	\$ 30,069	\$ 17,927	\$ 47,996	\$ 50,012	\$ 13,191	\$ 63,203
13	05164	Repair & Rebuild 814-16	\$ 4,205	\$ 4,173	\$ 8,378	\$ 40,003	\$ 10,551	\$ 50,554
14	05165	Repair & Rebuild 814-15	\$ 1,810	\$ 1,405	\$ 3,215	\$ 40,000	\$ 10,550	\$ 50,550
15	05182	Circuit 850-1NN2 reconductoring	\$ 279,322	\$ 163,008	\$ 442,330	\$ 105,002	\$ 27,695	\$ 132,697
16	05183	Circuit 828-1ND3 Reconductoring	\$ 541,904	\$ 83,259	\$ 625,163	\$ 327,000	\$ 86,248	\$ 413,248
17	05184	New circuit 819-1NE5	\$ 581,166	\$ 137,983	\$ 719,149	\$ 530,000	\$ 139,791	\$ 669,791
18	05187	Circuit 831-1ND5 reconductoring	\$ 420,285	\$ 179,311	\$ 599,596	\$ 239,001	\$ 63,038	\$ 302,039
19	05188	Circuit 831-1314 Upgrade	\$ 316,828	\$ 132,843	\$ 449,671	\$ 189,001	\$ 49,850	\$ 238,851
20	05214	Replace UG 4 kV oil switches SOMERVILLE	\$ -	\$ -	\$ -	\$ 150,002	\$ 39,564	\$ 189,566
21	05218	RAL switch replacement CAMBRIDGE	\$ -	\$ -	\$ -	\$ 60,000	\$ 15,825	\$ 75,825
22	05278	Sherman Distribution Substation	\$ -	\$ -	\$ -	\$ 150,000	\$ 39,563	\$ 189,563
23	05279	Vassar Street Distribution Substation	\$ -	\$ -	\$ -	\$ 200,001	\$ 52,751	\$ 252,752
24	05280	Aberdeen Distribution Substation	\$ -	\$ -	\$ -	\$ 300,000	\$ 79,127	\$ 379,127
25	05288	Capacitor banks at Putnam Station #831	\$ -	\$ 208	\$ 208	\$ 100,000	\$ 26,376	\$ 126,376
26	05330	Pole Reinforcements - Cambridge Electric	\$ 628	\$ 16	\$ 644	\$ -	\$ -	\$ -
27	99595	Prelim Engineering Camb Electric Dist Str	\$ 30,160	\$ 7,874	\$ 38,034	\$ -	\$ -	\$ -
28	99596	Preliminary Engineering Dist Station CAMB	\$ 434,212	\$ 226,436	\$ 660,648	\$ -	\$ -	\$ -
29	99607	Minor System Improvement Stations	\$ 1,361,230	\$ 296,032	\$ 1,657,262	\$ 536,200	\$ 141,426	\$ 677,626
30	99608	REPL OH DIST EQUIP IN KIND CAMB OPS	\$ 1,142	\$ 3,163	\$ 4,305	\$ -	\$ -	\$ -
31	99609	Replace UG DIST EQUIP IN KIND CAMB	\$ 1,102,813	\$ 343,484	\$ 1,446,297	\$ 495,880	\$ 130,791	\$ 626,671
32	99610	Minor System Improvement Street	\$ 107,316	\$ 8,587	\$ 115,903	\$ 135,800	\$ 35,818	\$ 171,618
33	99611	12-236 Upgrade UG Distr Equip	\$ 1,638	\$ 1,103	\$ 2,741	\$ -	\$ -	\$ -
34	99704	OH KEEP Cost Cambridge	\$ 234,642	\$ 26,598	\$ 261,240	\$ 48,738	\$ 12,855	\$ 61,593
35	99903	Maint Line of Business Capital Work	\$ (1,862)	\$ (948)	\$ (2,810)	\$ -	\$ -	\$ -
36		Total 13.8kV Capital	\$ 18,763,847	\$ 4,339,132	\$ 23,102,979	\$ 14,646,480	\$ 3,863,098	\$ 18,509,578
37		Total NON-13.8kV Capital (Includes Transmission)	\$ 3,867,562	\$ 526,912	\$ 4,394,474	\$ 2,422,280	\$ 638,891	\$ 3,061,171
38		Total Cambridge Electric Capital	\$ 22,631,409	\$ 4,866,044	\$ 27,497,453	\$ 17,068,760	\$ 4,501,989	\$ 21,570,749

	Total Costs	Total Budget
Total 13.8kV Capital	\$ 18,763,847	\$ 14,646,480
Total NON-13.8kV Capital (Includes Transmission)	\$ 3,867,562	\$ 2,422,280
Total Overheads	\$ 4,866,044	\$ 4,501,989
Total Cambridge Electric Capital	\$ 27,497,453	\$ 21,570,749

Line	Project Number	Project Name	Column A	Column B	Column C
			Annual Budget	Indirect Budget	Total Budget
1	99607	Minor System Improvement Stations	\$ 661,000	\$ 296,819	\$ 957,819
2	99609	Replace UG DIST EQUIP IN KIND CAMB	\$ 772,000	\$ 346,662	\$ 1,118,662
3	06371	Replace Deteriorated Poles Cambridge	\$ 20,000	\$ 8,981	\$ 28,981
4	06195	Circuit Rebuild (2) Cambridge	\$ 50,000	\$ 22,452	\$ 72,452
5	06166	Circuit Upgrade (2) Cambridge	\$ 80,000	\$ 35,924	\$ 115,924
6	06246	Complete Secondary Upgrades in Garfield Network	\$ 100,000	\$ 44,904	\$ 144,904
7	99610	Minor System Improvement Street	\$ 137,200	\$ 61,609	\$ 198,809
8	06247	Replace Transformer in SNV 5008, Arsenal Square Network	\$ 150,000	\$ 67,357	\$ 217,357
9	06248	Replace Transformer in SNV 5016, Inman Square Network	\$ 150,000	\$ 67,357	\$ 217,357
10	06249	Replace Transformer in SNV 5068, Harvard Square Network	\$ 150,000	\$ 67,357	\$ 217,357
11	06313	Cambridge Stations: Putnam, Concord, Aberdeen, Edmund	\$ 170,000	\$ 76,338	\$ 246,338
12	06244	Increase Secondaries in Central Square Network	\$ 200,000	\$ 89,809	\$ 289,809
13	06245	Increase Secondaries in Harvard Square Network	\$ 200,000	\$ 89,809	\$ 289,809
14	06198	Reconductor 826-45	\$ 250,000	\$ 112,261	\$ 362,261
15	06124	Relieve Circuit (3) Cambridge	\$ 275,000	\$ 123,487	\$ 398,487
16	05288	Putnam Station 831 Capacitor	\$ 327,970	\$ 147,273	\$ 475,243
17	06197	Rebuild ckt 830-11	\$ 400,000	\$ 179,618	\$ 579,618
18	03285	Kendall #850 Distribution Station	\$ 1,800,000	\$ 808,280	\$ 2,608,280
19	03290	Kendall Distribution Line	\$ 1,800,000	\$ 808,280	\$ 2,608,280
20	06375	Targeted Equipment Replacements Cambridge	\$ 400,000	\$ 179,618	\$ 579,618
21	06250	Replace Transformer in SNVs 5006, 5057, 5080, Central Square Network	\$ 450,000	\$ 202,070	\$ 652,070
22		Total 13.8kV Capital	\$ 8,543,170	\$ 3,836,265	\$ 12,379,435
23		Total NON-13.8kV Capital (Includes Transmission)	\$ 1,855,222	\$ 833,077	\$ 2,688,299
24		Total Cambridge Electric Capital	\$ 10,398,392	\$ 4,669,342	\$ 15,067,734

Overheads		Annual Budget
Operations Overheads		\$ 3,994,910
Corporate Overheads		\$ 674,432
	Total	\$ 4,669,342

Cambridge 2005 Budget Analysis

Line Budget Analysis

	Work Type	Annual Budget	Budget %
1	13.8kV	\$ 14,646,480	85.81%
2	Non 13.8kv	\$ 2,422,280	14.19%
3	Total	\$ 17,068,760	100.00%

	Overhead Budget	Overhead Spread	OH %
4	13.8kV	\$ 3,863,098	85.81%
5	Non 13.8kv	\$ 638,891	14.19%
6	Total OH Budget	\$ 4,501,989	100.00%

	Work Type	Annual Budget	Total %
7	13.8kV	\$ 18,509,578	85.81%
8	Non 13.8kv	\$ 3,061,171	14.19%
9	Total	\$ 21,570,749	100.00%

Actual Analysis

	Work Type	Actuals	Actuals %
10	13.8kV	\$ 18,763,847	82.91%
11	Non 13.8kv	\$ 3,867,562	17.09%
12	Total	\$ 22,631,409	100.00%

	Overhead Actuals	Overhead Spread	Actuals %
13	13.8kV	\$ 4,339,132	89.17%
14	Non 13.8kv	\$ 526,912	10.83%
15	Total OH Actuals	\$ 4,866,044	100.00%

Total Cost Analysis

	Work Type	Direct + Indirect	Total %
16	13.8kV	\$ 23,102,979	84.02%
17	Non 13.8kv	\$ 4,394,474	15.98%
18	Total	\$ 27,497,453	100.00%

Information Request AG-5-11

Will the Company seek to recover through the CPSL adjustment any costs related to the Cambridge 13.8kV system? If yes, please provide the most recent estimates of the annual CPSL budgets for Cambridge 13.8kV and NSTAR non-Cambridge 13.8kV projects. Include an estimate of the related CPSL rate adjustment for each year. Include all supporting documentation, workpapers, calculations and assumptions.

Response

Please refer to Attachment AG-5-11 for Cambridge's capital spending budget specifically for the 13.8 kV-related projects for year 2006. The 2006 budget was originally prepared before the CPSL accounting protocols were in place, so the budget does not identify CPSL-related expenditures. However, a number of the projects identified in the Attachment AG-5-11 have components of costs that will be recovered through the CPSL adjustment. For most of the indicated projects, only a small portion of the cost will be applicable to CPSL. The only project that may have a significant portion applicable to CPSL is project 06371 listed on line 3 of the attachment.

At the end of 2006, NSTAR Electric will determine if any capital or O&M is applicable to both the 13.8 kV transmission revenue requirement and the CPSL adjustment, and this will be adjusted in the CPSL mechanism. This will not affect any other time period, except 2006.

Line	Project Number	Project Name	Column A	Column B	Column C	Column D
			Annual Budget	Indirect Budget	Total Budget	Portion applicable to CPSL (Y/N)
1	99607	Minor System Improvement Stations	\$ 661,000	\$ 296,818	\$ 957,818	N
2	99609	Replace UG DIST EQUIP IN KIND CAMB	\$ 772,000	\$ 346,662	\$ 1,118,662	N
3	06371	Replace Deteriorated Poles Cambridge	\$ 20,000	\$ 8,981	\$ 28,981	Y
4	06195	Circuit Rebuild (2) Cambridge	\$ 50,000	\$ 22,452	\$ 72,452	Y
5	06166	Circuit Upgrade (2) Cambridge	\$ 80,000	\$ 35,924	\$ 115,924	Y
6	06246	Complete Secondary Upgrades in Garfield Network	\$ 100,000	\$ 44,904	\$ 144,904	Y
7	99610	Minor System Improvement Street	\$ 137,200	\$ 61,609	\$ 198,809	N
8	06247	Replace Transformer in SNV 5008, Arsenal Square Network	\$ 150,000	\$ 67,357	\$ 217,357	N
9	06248	Replace Transformer in SNV 5016, Inman Square Network	\$ 150,000	\$ 67,357	\$ 217,357	N
10	06249	Replace Transformer in SNV 5068, Harvard Square Network	\$ 150,000	\$ 67,357	\$ 217,357	N
11	06313	Cambridge Stations: Putnam, Concord, Aberdeen, Edmund	\$ 170,000	\$ 76,338	\$ 246,338	N
12	06244	Increase Secondaries in Central Square Network	\$ 200,000	\$ 89,809	\$ 289,809	N
13	06245	Increase Secondaries in Harvard Square Network	\$ 200,000	\$ 89,809	\$ 289,809	N
14	06198	Reconductor 826-45	\$ 250,000	\$ 112,261	\$ 362,261	Y
15	06124	Relieve Circuit (3) Cambridge	\$ 275,000	\$ 123,487	\$ 398,487	Y
16	05288	Putnam Station 831 Capacitor	\$ 327,970	\$ 147,273	\$ 475,243	N
17	06197	Rebuild ckt 830-11	\$ 400,000	\$ 179,618	\$ 579,618	Y
18	03285	Kendall #850 Distribution Station	\$ 1,800,000	\$ 808,280	\$ 2,608,280	N
19	03290	Kendall Distribution Line	\$ 1,800,000	\$ 808,280	\$ 2,608,280	N
20	06375	Targeted Equipment Replacements Cambridge	\$ 400,000	\$ 179,618	\$ 579,618	N
21	06250	Replace Transformer in SNVs 5006, 5057, 5080, Central Square Network	\$ 450,000	\$ 202,070	\$ 652,070	N
22		Total 13.8kV Capital	\$ 8,543,170	\$ 3,836,265	\$ 12,379,435	
23		Total NON-13.8kV Capital (Includes Transmission)	\$ 1,855,222	\$ 833,077	\$ 2,688,299	
24		Total Cambridge Electric Capital	\$ 10,398,392	\$ 4,669,342	\$ 15,067,734	

Overheads		Annual Budget
Operations Overheads		\$ 3,994,910
Corporate Overheads		\$ 674,432
Total		\$ 4,669,342

Information Request CLC-1-5

For each of the three NSTAR distribution utilities, please provide a breakdown of the Retail Congestion Management Cost from Exhibit CLV-3 for the appropriate utility, including:

- (a) the cost of each RMR contract; and
- (b) the cost of each SCR resource.

Response

The 2005 Retail Congestion Management Cost for each of the Companies consists of the RMR contracts, labeled (a) and SCR resources, labeled (b) below. Please also refer to the response to Information Request AG-3-2, which provides a detailed explanation of the actions taken by the Companies to mitigate these costs.

Boston Edison:

(a)	New Boston 1:	\$18,339,000
	Dominion:	\$824,000
(b)	MBTA/Framingham Jets SCR:	<u>\$142,000</u>
	Total:	\$19,305,000

Commonwealth:

(a)	No RMR charges in 2005	
(b)	Martha's Vineyard Diesels	\$675,000

Cambridge:

(a)	New Boston 1:	\$1,763,000
	Dominion:	\$97,000
	Mirant:*	\$9,324,000
(b)	Kendall SCR:	<u>\$4,110,000</u>
	Total:	\$15,294,000

* Does not include refunds received in 2006.

Information Request CLC-1-8

Please provide a Working Spreadsheet containing the equivalent of Exhibit NSTAR CLV-5 with actual 2005 Retail Congestion Management Costs and FERC incentives.

Response

Please refer to Attachment CLC-1-8 for the requested data. As explained in Exhibit NSTAR-CLV-1, at 17-18, it is not appropriate to include congestion costs in this analysis. Congestion costs continue to be highly variable and actual costs paid in a single year should not be used to infer future results.

NSTAR Electric
Comparison of 2005 Retail Transmission Rate
\$ in Millions

Line	Description	Consolidated	BEC	Commonwealth *	Cambridge *
Regional Transmission Costs					
1	Retail RNS Cost	\$ 89.621	\$ 67.131	\$ 15.586	\$ 6.904
2	Regional Ancillary Services				
3	Retail Schedule & Dispatch Cost	6.799	4.916	1.380	0.503
4	Retail Congestion Management Cost **	35.274	19.305	0.675	15.294
5	System Restoration & Planning Cost	1.487	1.051	0.317	0.119
6	Load Dispatching (REMVEC)	0.383	0.284	0.099	-
7	NEPOOL Administration (Transmission)	0.075	0.075	-	-
8	VAR Support Cost	-	-	-	-
9	Total Estimated Regional Transmission Costs	\$ 133.639	\$ 92.762	\$ 18.057	\$ 22.820
Local Transmission Costs					
10	Local Network Service (LNS) Costs				
11	LNS and Scheduling & Dispatch Revenue Req.	\$ 107.468	86.129	\$ 17.969	\$ 22.283
12	13.8kv facilities transferred to Distribution Rates	-	-	-	(13.421)
13	RNS Revenues Received from NEPOOL ***	(79.882)	(66.229)	(9.947)	(3.706)
14	Dispatch Center Revenue Requirement	4.273	4.109	-	-
15	Schedule 1 Revenues Received	(4.375)	(4.375)	(0.142)	-
16	Estimated LNS Revenue Requirement	\$ 27.484	\$ 19.634	\$ 7.880	\$ 5.156
17					
18	Total Estimated Transmission Costs	\$ 161.123	\$ 112.396	\$ 25.936	\$ 27.976
19	2005 Billed GWH	21,568.168	15,487.787	4,363.964	1,716.417
20	2005 Retail Transmission Rate	\$ 0.00747	\$ 0.00726	\$ 0.00594	\$ 0.01630
21	Difference in \$/kwh from Consolidated	\$ -	\$ 0.000213	\$ 0.001527	\$ (0.008829)
22	Revenue impact (\$ in millions)	\$ (5.185)	\$ 3.304	\$ 6.664	\$ (15.154)
23	Percentage increase (decrease)		2.94%	25.69%	-54.17%

* The LNS formula rate for Cambridge and Commonwealth are currently the subject of FERC settlement procedures in Docket ER05-742. The calculations presented in this exhibit are based on the formula tariff as currently under discussion.

** This analysis includes actual 2005 congestion costs. However, the Companies believe that the amount and future location of these costs are too highly uncertain to be used as going forward proxies.

*** Excludes FERC incentives for being part of an RTO and for new transmission investment

Information Request CLC-1-23

Please provide NSTAR's estimate of the cost of maintaining data on investment, expenses, customer number, load, service quality and reliability,

- (a) separately for the area of each of its three distribution companies following the merger; and
- (b) separately for two regions, one comprising the former Boston Edison and Cambridge territories, and the other comprising the former Commonwealth territory. (Assume that borderline municipalities could be transferred between the two regions, if it simplifies data collection or accounting.)

Response

NSTAR Electric presently compiles and maintains data for the three distribution companies and has not prepared an estimate of the cost to do so or the cost of continuing to do so. Please refer to the responses to Information Request DTE-2-1, Information Request DTE-3-4 and Information Request DTE-4-2.

Information Request MIT-2-17

Please provide the total revenue requirement for Cambridge Electric for all distribution facilities for cost year 2005, including 13.8kV facilities shown in the revenue requirement on Exhibit NSTAR-CLV-7 page 1 of 8. Please use the same methodologies and format as in Exhibit NSTAR-CLV-7 pages 1 through 8.

Response

It is not possible to prepare a distribution rate requirement according to Exhibit NSTAR-CLV-7 because Exhibit-NSTAR-CLV-7 is based on a formula rate prepared specifically for 13.8 kV purposes. See Exhibit NSTAR-CLV-6, 13.8 kV Transmission Rider to Attachment D. The 13.8 kV formula was established for the purpose of being an adder to the transmission rate, not as a fully encompassing revenue-requirement calculation.

For example, the formula rate would apply a wage and salary allocator or plant allocator to balances that should be fully recovered in distribution rates (less the portion collected in other tariffs). Also the tariff formula was intended to compute a revenue requirement for a transmission element and is not designed to recover certain expenses such as sales, customer service, customer accounts, etc., that should be collected in distribution rates.